

MAIL TO:

STATE OF UTAH
 DIVISION OF PURCHASING
 3150 STATE OFFICE BUILDING, CAPITOL HILL
 P.O. BOX 141061
 SALT LAKE CITY, UTAH 84114-1061
 TELEPHONE (801) 538-3026
<http://purchasing.utah.gov>

Invitation to BidSolicitation Number: **RM5902**Due Date: **07/20/04 at 3:00 P.M.**

Date Sent: June 15, 2004

Statewide Contract

Goods and services to be

MULTI STEP BID-STATEWIDE CONTRACT FOR MERCHANT AND EFT SERVICES**Please complete**

Company Name		Federal Tax Identification Number	
Ordering Address	City	State	Zip Code
Remittance Address (if different from ordering address)	City	State	Zip Code
Type <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government		Company Contact Person	
Telephone Number (include area code)	Fax Number (include area code)	Email Address	
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered)		Days Required for Delivery After Receipt of Order (see attached for any required minimums)	
Brand/Trade Name		Price Guarantee Period (see attached specifications for any required minimums)	
Minimum Order		Company's Internet Web Address	
The following documents are included in this solicitation: Solicitation forms, instructions and general provisions, and specifications. <u>Please review all documents carefully before completing.</u> The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes_____ No_____. If no, enter where produced, etc. _____			
Offeror's Authorized Representative's Signature		Print or type name and title	Date
State of Utah Division of Purchasing Approval		Date	Contract Number
Douglas G. Richins, Director			

**STATE OF UTAH
DIVISION OF PURCHASING**

Invitation to Bid

Solicitation Number: RM5902

Due Date: 07/20/04

Vendor Name:

Description
MULTI STEP BID-STATEWIDE CONTRACT FOR MERCHANT AND EFT SERVICES PER THE ATTACHED SPECIFICATIONS.
QUESTIONS ON SPECIFICATIONS AND PURCHASING PROCESS CALL ROSELLE MILLER AT (801) 538-3232. COMMODITY CODE (S): 94625 AND 94635

INVITATION TO BID - INSTRUCTION AND GENERAL PROVISIONS

1. BID PREPARATION: (a) All prices and notations must be in ink or typewritten. (b) Price each item separately. Unit price shall be shown and a total price shall be entered for each item bid. Errors may be crossed out and corrections printed in ink or typewritten adjacent and must be initialed in ink by person signing quotation. (c) Unit price will govern, if there is an error in the extension. (d) Delivery time is critical and must be adhered to as specified. (e) Wherever in this document an item is defined by using a trade name of a manufacturer and/or model number, it is intended that the words, "or equivalent" apply. "Or equivalent" means any other brand that is equal in use, quality, economy and performance to the brand listed as determined by the Division of Purchasing & General Services (DIVISION). If the vendor lists a trade name and/or catalog number in the bid, the DIVISION will assume the item meets the specifications unless the bid clearly states it is an alternate, and describes specifically how it differs from the item specified. All bids must include complete manufacturer's descriptive literature if quoting an equivalent product. All products are to be of new, unused condition, unless otherwise requested in this solicitation. (f) By signing the bid the vendor certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices quoted are correct. (g) This bid may not be withdrawn for a period of 60 days from bid due date.

2. SUBMITTING THE BID: (a) The bid must be signed in ink, sealed in a properly-addressed envelope, and either mailed or delivered to the DIVISION OF PURCHASING, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061 by the "Due Date and Time." **The "Bid Number" and "Due Date" must appear on the outside of the envelope.** (b) Bids, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section R33-3-109. (c) **Your bid will be considered only if it is submitted on the forms provided by the state. Facsimile transmission of bids to DIVISION will not be considered.** (d) All prices quoted must be both F.O.B. Origin per paragraph 1.(c) and F.O.B. Destination. Additional charges including but not limited to delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, costs of bonds, or for any other purpose must be included in the bid for consideration and approval by the DIVISION. Upon award of the contract, the shipping terms will be F.O.B. Destination, Freight Prepaid with freight charges to be added to the invoice unless otherwise specified by the DIVISION.

3. SOLICITATION AMENDMENTS: All changes to this solicitation will be made through written addendum only. Bidders are cautioned not to consider verbal modifications.

4. PROPRIETARY INFORMATION: Suppliers are required to mark any specific information contained in their bid which is not to be disclosed to the public or used for purposes other than the evaluation of the bid. Each request for nondisclosure must be accompanied by a specific justification explaining why the information is to be protected. Pricing and service elements of any bid will not be considered proprietary. Bids submitted may be reviewed and evaluated by any persons at the discretion of the state.

5. SAMPLES: Samples of item(s) specified in this bid, when required by DIVISION, must be furnished free of charge to DIVISION. Any item not destroyed by tests may, upon request made at the time the sample is furnished, be returned at the bidder's expense.

6. WARRANTY: The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah applies to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed

upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

7. DIVISION APPROVAL: Purchase orders placed, or contracts written, with the state of Utah, as a result of this bid, will not to be legally binding without the written approval of the director of the DIVISION.

8. AWARD OF CONTRACT: (a) the contract will to be awarded with reasonable promptness, by written notice, to the lowest responsible bidder that meets the specifications. Consideration will to be given to the quality of the product(s) to be supplied, conformity to the specifications, the purpose for which required, delivery time required, discount terms and other criteria set forth in this invitation to bid. (b) The bids are opened publicly in the presence of one or more witnesses. the name of each bidder, and the amount of the bid is recorded. Each bid, and the record, is open to public inspection. (c) The DIVISION may accept any item or group of items, or overall low bid. the DIVISION has the right to cancel this invitation to bid at any time prior to the award of contract. (d) The DIVISION can reject any and all bids. And it can waive any informality, or technicality in any bid received, if the DIVISION believes it would serve the best interest of the State. (e) Before, or after, the award of a contract the DIVISION has the right to inspect the bidder's premises and all business records to determine the holder's ability to meet contract requirements. (f) DIVISION does not guarantee to make any purchase under awarded contract(s). Estimated quantities are for bidding purposes only, and not to be interpreted as a guarantee to purchase any amount. (g) Utah has a reciprocal preference law which will to be applied against bidders bidding products or services produced in states which discriminate against Utah products. For details see Section 63-56 20.5 -20.6, Utah Code Annotated.

9. ANTI-DISCRIMINATION ACT: The bidder agrees to abide by the provisions of the Utah Anti-discrimination Act, Title 34 Chapter 35, U.C.A. 1953, as amended, and Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities. Also bidder agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the workplace. Vendor must include this provision in every subcontract or purchase order relating to purchases by the State of Utah to insure that the subcontractors and vendors are bound by this provision.

10. DEBARMENT: The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.

11. GOVERNING LAWS AND REGULATIONS: All state purchases are subject to the Utah Procurement Code, Title 63 Chapter 56 U.C.A. 1953, as amended, and the Procurement Regulations as adopted by the Utah State Procurement Policy Board. These are available on the Internet at www.purchasing.utah.gov

(Revision 14 Mar 2003 - IFB Instructions)

Multi-Step Invitation to Bid

Consolidated Merchant and EFT Services



June 2004

Issued by the Utah Department of Administrative Services, Division of Purchasing

Introduction & Multi-Step Process

Overview

1.1 Purpose

The purpose of this multi-step Invitation to Bid (ITB) is to enter into a statewide contract for the use of all State of Utah (State) agencies and its political subdivisions (i.e. colleges, school districts, counties, cities, etc.) with a responsive and responsible qualified depository institution that will:

- 1) Provide solutions to the particular requirements of using State agencies and political subdivisions regarding electronic payment processing, credit card acceptance services, accounting practices, information requirements associated with some payment transactions, and analysis of costs associated with credit card acceptance. The aforementioned collectively referred to as “Merchant Services”.
- 2) Provide an electronic funds transfer “EFT” application for both debit and credit transactions.
- 3) Take advantage of the combined charge volumes of State agencies utilizing a single service provider, and establish a pricing structure that takes into account these combined volumes (economies of scale pricing).
- 4) Provide secure reporting products that will meet the needs of the individual State agencies, political subdivisions, and the Office of the State Treasurer and State Division of Finance.
- 5) Establish a long-term relationship with a service provider under the Master Services Agreement that will enable the State to enhance and expand electronic payment acceptance to new areas, as well as implement new technologies and services on a pilot or production basis.
- 6) Provide for consultation and leadership in advising the State on new technologies and electronic payment processing opportunities.
- 7) Establish a single point of contact for coordination of activities related to any services provided, including adding new agencies or political subdivisions, problem resolution, etc.

This document is designed to provide interested bidders with sufficient information to submit a technical bid meeting minimum requirements. Under this multi-step sealed bid procurement, price bids will be requested and considered only in the second phase and only from those bidders whose un-priced technical bids are found acceptable in the first phase.

1.2 Background

- 1.2.1 The State and its political subdivisions currently have multiple contracts and subcontracts to provide credit card acceptance, electronic payment processing of credit cards, electronic check acceptance and processing, and electronic funds transfer services. This ITB represents the first concerted effort by the State to procure these services as a whole, rather than as separate contract(s). State agencies and political subdivisions consolidating usage should benefit from economies of scale in pricing and administration and reconciliation processes should be simplified by making coordination, procedures, and reporting more consistent. Throughout this document, the term "State" may be interchangeable with State agencies and/or infer State agencies.
- 1.2.2 Historically, State agencies negotiated credit card service agreements and discount rates on an agency-by-agency basis. In 1999 the State entered into statewide contracts for credit card services. Wells Fargo Merchant Services currently processes all credit cards accepted by the State; separately, there are additional statewide contracts with Discover Card and American Express for direct processing. Equipment can be purchased or leased from Wells Fargo Merchant Services.
- 1.2.3 State agencies are responsible for reconciling their electronic payment processing accounts (credit card, electronic checks, and EFT) between the State financial system (FiNet) and the various banks. Wells Fargo Merchant Services provides a monthly statement for Master Card and Visa transactions as part of the existing contract; for an additional fee American Express and Discover Card transactions can be included on the monthly statement. Otherwise separate monthly statements are received from other credit card companies.
- 1.2.4 The gross amount of transactions (payments) is credited to the State agency's depository account(s) by Wells Fargo Merchant Services, American Express, or Discover Card for daily transactions. At month-end Wells Fargo Merchant Services, American Express, and Discover Card charge the credit card fees to the agency's depository bank account(s).
- 1.2.5 The specifications contained in this ITB describe the current and proposed process flows, requirements documents for each of the applications, the anticipated Statement of Work, as well as current and estimated transaction volumes and average transaction amounts. Also included in this ITB are expectations of future applications.

1.3 Authority

This ITB is issued under the authority of Utah Code Annotated, Title 63, Chapter 56, Utah Procurement Rules and State financial policies, specifically FIACCT 07-08.00 and FIACCT 07-11.00. All prospective contractors are charged with presumptive knowledge of the cited authorities. Many of the citations are found in the Procurement Library established for this procurement (ref. §1.14). The submission of bids by a prospective contractor shall constitute admission of such knowledge on the part of such prospective contractor. Additionally, the submission of a bid represents a comprehensive understanding and compliance with Utah Code Annotated Title 7, Financial Institutions and Utah Code Annotated §51-7, State Money Management Act. Any bid submitted by a prospective contractor, which fails to meet all published requirements of the cited authorities, may, at the option of the State, be rejected without further consideration.

1.4 Contract Term

- 1.4.1 The Contract resulting from this bid will be for a period of five-years. The Contract may be extended beyond the original Contract period for an additional five years at the State's discretion and by mutual agreement. The contract term will include the initial period required for the contractor to conduct any start-up activities as may be necessary. All costs incurred by the contractor for the start-up period will be included in the fixed price bid. The total fixed price bid quoted in the bidder's Price bid will be firm and binding. All processing fees must be guaranteed for five (5) years.
- 1.4.2 The successful bidder is expected to enter into an agreement that contains substantially the same requirements contained in this ITB and agree to the terms and conditions as presented in the ITB as Attachment A. To be considered responsive to this ITB, bidders must indicate in writing in their Transmittal Letter their complete acceptance of all terms and conditions in Attachment A. However, bidders may propose revisions to the terminology for clarification and procedural purposes only. The substantive and philosophical aspects of the agreement are non-negotiable. The State will entertain negotiations of the bidder's terms and conditions provided that it is understood that Attachment A shall prevail in the event of any conflict among the terms.
- 1.5 Contract Management
- 1.5.1 Any contract awarded as a result of this procurement process will be managed by the Purchasing Agent in the State Division Purchasing assigned to the contract. The Purchasing Agent will be responsible for adherence to terms and conditions of the contract, any disputes arising out of performance of the contract, contract amendments and renewals, etc.
- 1.5.2 Using agencies or political subdivisions may appoint a contract administrator or manager responsible for the day -to-day activities of the contractor and to ensure successful contract performance, adherence to schedules, and overall contractor performance.
- 1.6 Modifications to Contract Scope
- 1.6.1 The State reserves the right, at any time, to negotiate for new technological advancements and services not contained in the original or previous renewal contracts. Additionally, the State reserves the right, at any time during the course of the contract, to negotiate for the expansion of the scope of work contained herein, and purchase additional related products or services. The State expects the selected bidder to act in good faith during any such aforementioned negotiations.
- 1.6.2 Bidders should note however, that the State makes no representation either expressed or implied that, in fact, it will expand the scope of work or purchase additional related products or services. Bidders should also note that the renewal option is at the sole discretion of the State. Therefore, bidders should not assume anticipatory profits beyond the scope contained in this ITB.

1.7 ITB Organization

This ITB is organized into six sections plus attachments. These sections are:

- Section 1 – INTRODUCTION AND MULTI-STEP PROCESS
- Section 2 – CURRENT AND FUTURE APPLICATIONS SUMMARIES
- Section 3 – STATEMENT OF WORK
- Section 4 – APPLICATIONS REQUIRMENTS DOCUMENT

- Section 5 – BID REQUIREMENTS
- Section 6 – BID EVALUATION
- Attachment A – STATE OF UTAH STANDARD TERMS AND CONDITIONS
- Attachment B – APPLICATIONS STATISTICS
- Attachment C – GLOSSARY AND DEFINITIONS

Procurement Approach

1.8 Legal Basis

Provisions of this multi-step ITB and subsequent contract are pursuant to the authority set forth in Utah Code Annotated, Title 63, Chapter 56, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes.

1.9 Procurement Methodology

The major steps of the procurement methodology are as follows:

- 1.9.1 Multi-step bidding is a two-phase process consisting of a technical first phase composed of one or more steps in which bidders submit un-priced technical bids (the “technical bid”) to be evaluated by the State, and a second phase in which those bidders whose un-priced technical bids are determined to be “acceptable” during the first phase will have the opportunity to submit competitive corresponding pricing.
- 1.9.2 The Technical Bid will be evaluated based on the evaluation criteria outlined in Section 6.
- 1.9.3 The lowest responsible and responsive bidder will be awarded any contract resultant from this procurement effort in accordance with the competitive sealed bidding procedures.

Procurement Process

1.11 Procurement Administration

The Department of Administrative Services, Division of Purchasing will act as the Issuing Office for the procurement process. Roselle Miller, Purchasing Agent within the Division of Purchasing will act as the Procurement Officer. Roselle Miller may be reached via e-mail at: RWMILLER@utah.gov. The reference number for this procurement is Solicitation Number: RM5902. This number must be referred to on all bids, correspondence, and documentation relating to the procurement.

1.12 Bidder's Questions

All questions must be submitted in writing and may be submitted to Roselle Miller via email at: RWMILLER@utah.gov. Questions are due by 5:00 p.m. MT, on July 6, 2004. Questions received after that date may not be answered. Answers will be given via an addendum posted on the Division of Purchasing website.

1.13 Procurement Library

1.13.1 A Procurement Library has been established by the State on the Utah State Tax Commission's website. The website may be accessed at:

<http://www.tax.utah.gov/purchasing/merchantservices/procurementlibrary/index.html>

Please address any questions concerning this Procurement Library to MRIGBY@utah.gov.

The following information is contained in the Procurement Library:

- Applicable statutes, rules, policies, and regulations (Though not totally inclusive to satisfy the requirements of Section 1.3 of this ITB)
- Utah Interactive, Inc. "Schedule A" agreements with State agencies
- Various system interfaces
- File Layouts
- Record Addenda (for EFT filing)
- Computer Hardware Requirements
- Report Samples
- Application Program Interface (API) Details
- EFT Payment Scripts
- Future EFT Registration System Requirements

1.13.2 All possible efforts have been made to ensure that the information contained in the Procurement Library is complete and the most accurate available from State agencies at this time. However, the State does not warrant that the information is complete or current. The library is provided for additional information only.

1.13.3 Requirements contained in this ITB shall take precedence over any information contained in the Procurement Library if a conflict exists.

1.13.4 All interested parties may have access to the information contained in the Procurement Library. All information is considered "public" information and has been compiled in the library as a convenience solely for the purposes of this procurement.

1.14 ITB Addenda

The State reserves the right to amend this ITB, provide clarifications to information contained herein, modify the Procurement Schedule, and otherwise amend the provisions contained in this ITB. All ITB addenda will be posted on the Division of Purchasing website <http://purchasing.utah.gov/>. It is the responsibility of interested parties to review the website for further information and postings concerning this procurement.

1.15 Communication Restrictions

From the Issue Date of this ITB until a bidder is selected and Notices have been sent to all bidders submitting bids, bidders are not permitted to communicate with any State staff regarding this procurement except the Procurement Officer identified in Section 1.11. The State recognizes that bidders may, in fact, during the normal course of State business and in the performance of existing and current contracts, be required to communicate with State staff and in no way is this provision intended to limit the quality and quantity of necessary communications. This provision applies only as a restriction on discussion of this procurement process.

1.16 Acceptance of Bids

- 1.16.1 Un-priced technical bids shall be opened publicly identifying only the names of the bidders. Technical bids and modifications shall be time stamped upon receipt and held in a secure place until the established due date. After the date established for receipt of bids, a register of bids shall be posted on the website <http://purchasing.utah.gov/> and shall include the name of each bidder. Prior to the award of the selection of the lowest responsive and responsible bidder following phase two, technical bids shall be shown only to State agency or political subdivision personnel having a legitimate interest and the Evaluation Committee. Bidders should note that all State agency and political subdivision personnel and the Evaluation Committee are prohibited from disclosure of bid information.
- 1.16.2 All bids must be responsive to the requirements of the ITB in order to be considered for the contract award. Any submitted bid shall remain a valid bid for six months after the Bid Due Date.
- 1.16.3 The State reserves the right to waive minor irregularities in bids providing such action is in the best interest of the State. Where the State may waive minor irregularities, such waiver shall in no way modify the ITB requirements or excuse the bidders from full compliance with ITB specifications and other contract requirements if the bidder is awarded the contract. The State also reserves the right to require bidders, at their own expense, to submit written clarification of a bid in the manner and the format that the State shall require.

1.17 Proprietary Data

After award, all bids become public information. Proprietary information can be protected under limited circumstances such as client lists, non-public financial statements and certain trade secrets as prescribed under Utah Code Annotated §63-2-304(1). Pricing and service elements are not considered proprietary. An entire bid may not be marked as proprietary. Bidders may request nondisclosure of trade secrets and other proprietary data identified in writing in their Transmittal Letter (ref. 5.5 of this ITB) and must mark in the body of the bid any specific proprietary information requested to be protected. If any bidder has requested in writing the non-disclosure of trade secrets and other proprietary data so identified, the Procurement Officer shall examine the request in the bid to determine its validity prior to commencing the evaluation process. If the parties do not agree as to the disclosure of the data, the Procurement Officer shall inform the bidder in writing what portion of the bid will be disclosed and that, unless the bidder withdraws the bid it will be disclosed. Bids may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State and may be returned only at the State's option.

1.18 Discussions with Bidders

A discussion between the Procurement Officer and a bidder to clarify their Technical Bid may be required at the sole discretion of the State after submittal of Technical Bids. However, the State may award a contract based upon the initial Technical Bid received without discussion with the Bidder. If a bidder is required to meet with the State for clarification, any expenses incurred by the bidder will be at the bidder's expense.

Section 2

Current and Future Applications Summaries

2.1 Purpose

The purpose of this Section is to provide prospective bidders with general information concerning some of the existing operational applications that the selected bidder will be required to take over. Bidders should note that the information presented in this Section is information provided by State agencies and political subdivisions up to the time of issuance of this document; the information is representative of several applications currently in use and is not intended to be all-inclusive. Also included in this Section are known future applications or applications that may be undertaken during the performance of the contract.

2.2 Location

In the interest of efficiency, the summaries are located in the Procurement Library and may be found at the following link:

<http://www.tax.utah.gov/purchasing/merchantservices/procurementlibrary/index.html>

Section 3

Statement of Work

Purpose and Organization

3.1 Purpose

- 3.1.1 The purpose of this Section of the ITB is to present and establish the anticipated Statement of Work for the proposed Merchant Services and EFT contract. The selected bidder will be required to support the requirements of the specific using State agencies and political subdivisions as described in this ITB. This Section is not intended to be all-encompassing nor absolute in defining the Statement of Work, but is intended as a road map to express the State's general expectations.
- 3.1.2 The selected bidder would be expected to support future agency and political subdivision implementation(s) with requirements that fall within the scope of this ITB document. The ability to assist users with the integration of electronic payment processing into existing payment, accounting, and reconciliation processes will also be required. It is understood that additional State agencies and political subdivisions with a desire to utilize the contract would be supported with the same services and products.
- 3.1.3 During the past five years, the payment processing industry has made significant advances utilizing technology and integrated processing to offer faster, more accurate and efficient, computerized delivery of services. State agencies and political subdivisions have been, are, and will continue to explore various innovative deliveries of services, many of which involve electronic commerce. The State expects the selected bidder to provide a leadership role in the development and implementation of evolving electronic payment processing technologies.
- 3.1.4 The State has elected to deliver its services to citizens and businesses electronically, by means of a comprehensive state portal (www.utah.gov) that spans the enterprise of State government and extends to cities and counties. The State has outsourced development, management and marketing of Utah.gov to a private company that acts on behalf of the State with respect to these transactions. Currently, the holder of the portal contract is Utah Interactive, LLC. (UI). The selected bidder under this ITB will be required to work closely with UI on behalf of the portal to efficiently, conveniently, and effectively facilitate electronic payment transactions. Some agencies may have gateway and/or portal providers that were in place prior to the award of the UI contract; political subdivisions other than State agencies may utilize the services of other gateway providers.

3.2 Section Organization

- 3.2.1 This Section of the ITB is divided into subsections corresponding to the following areas:
 - ❖ Scope of Contract
 - ❖ General Requirements

- ❖ Responsibilities and Expectations for the Major Phases that will encompass the contract.

3.2.2 The scope of the contract is outlined by an introduction of the phases of work to be performed under the Merchant Services and EFT contract, the likely contract schedule, and computer resource requirements. General requirements are also specified for overall State and Contractor responsibilities for the performance and success of the contract. The remaining subsections describe the relative responsibilities of the State, participating users of the contract, and the Contractor for each phase of work to be performed.

Scope of the Contract

3.3 General Responsibilities of the Contractor

- 3.3.1 The Contractor shall take over existing Merchant Services, third-party service providers, and EFT transaction processing; provide full Merchant Services and EFT processing. The Contractor shall utilize existing equipment, including hardware and software, including expansion of applications and transaction types, and provide the availability to purchase or rent requisite equipment during the term of the contract. The Contractor must be able to process transactions and accept settlement files as described in this ITB and in the Procurement Library. The Contractor must be able to process both WEB (personal) and CCD (business) encoded Internet Initiated ACH transactions. The Contractor must allow differentiation between checking and savings accounts when performing an Internet Initiated ACH. The Contractor must perform daily (including weekends) batches on Credit Card and ACH transactions. The method of application varies by agency from standard point of sale (POS) equipment, to various types of software data capture via personal computer to internet-based applications.
- 3.3.2 Throughout all phases of the contract the Contractor will provide Equipment and Software necessary for agencies and political subdivisions to process credit cards per specifications and future applications accepting credit/debit cards. Additionally, the Contractor must provide equipment and software on a lease or rental basis for State agencies or political subdivisions desiring to implement a pilot project in limited scope to determine feasibility of implementing an application.
- 3.3.3 The general scope of effort for which the Contractor is responsible is divided into the following six phases. The phases are not intended to imply any particular time frame(s) and some may be conducted concurrently or combined with other phases. The phases are required to provide a reference in the bidder's proposed work plan, provide a map for success, and assure the State the Contractor is aware of Statement of Work expectations and that the State will not be subject to a poorly planned project nor a bidder is selected that has inadequate understanding or insufficient capabilities to ensure successful performance. Whenever applicable, the responsibilities and requirements will apply to both credit card transaction/Merchant Services, electronic checks, and EFT transaction processing, i.e. where a disaster recovery plan is required it should describe the plan for all transaction types.

The phases are:

- ❖ Planning Phase
- ❖ Transfer Phase
- ❖ Acceptance Test Phase (which may be combined with the Transfer Phase)
- ❖ Implementation Phase (which may be combined with the Transfer Phase)
- ❖ Operation Phase
- ❖ Turnover Phase

3.3.4 The Contractor shall also be responsible for advising and assisting the State and political subdivisions that use or may desire to utilize the statewide contract with the management and administration of electronic payment processing programs, applications, and opportunities to expand or enhance existing programs and/or applications. It shall also be required of the Contractor to assist the State in assuring full compliance with NACHA requirements and generally accepted accounting standards for government.

3.4 Computer Resource Requirements

The Contractor shall be responsible for providing the computer resources necessary to perform all of the Contractor's tasks defined in the contract throughout the term of the contract. The Contractor shall be solely responsible for redundant systems, and computer systems required for Help Desk capabilities.

General Requirements

3.5 State Responsibilities

The State shall be responsible for the general administration and management of all applications utilizing the contract as well as all operational program requirements to include the establishment of policy and approval of administrative procedures.

The State's responsibilities include:

- ❖ Outlining changes to enhance applications and transaction processing or meet requirements of Utah Code Annotated as may be amended from time to time.
- ❖ Establishing all electronic transaction processing policy.
- ❖ Implementing administrative procedures and rules.
- ❖ Monitoring overall performance of the contractor.
- ❖ Approving all contractual arrangements, including those of the Prime Contractor's subcontracts, as they relate to this Contract.
- ❖ Conducting procedural, security and control, and accuracy audits of the Contractor.
- ❖ Approving budgets for applications, fees, and any other costs associated with the contract.

- ❖ Liaising with the Legislature, political subdivisions, higher education, and other potential contract users, and the public.

3.7 Contractor Responsibilities

The Contractor shall advise and assist the State in developing innovative electronic payment services to benefit the citizens of the State and those doing business with the State.

The Contractor's responsibilities include:

- ❖ The Contractor shall maintain and operate computer networks in compliance with NACHA rules and shall process all transactions, regardless of transaction type(s) in full compliance with NACHA guidelines. The Contractor must also ensure full NACHA compliance by all subcontractors and/or third-party service providers.
- ❖ The Contractor shall support any system(s) performance reviews conducted by the State or its authorized and designated representatives. The Contractor shall also support State audits as may be conducted from time to time. This support shall include assisting the State in sample selections including live samples of the State's transactions, document and data gathering, cooperative reasonable access to the Contractor's and any subcontractor's facilities, and assisting using State agencies and political subdivisions in responding to questions from the Office of the Governor, the Office of the State Treasurer, State Division of Finance and other State officials responsible for the financial well-being of the State.
- ❖ The Contractor shall correctly, accurately, and timely process all transactions properly submitted for payments of fees, taxes, goods and services, and any other electronic payment transaction submitted to the State through the performance of this contract in accordance with Federal and State Laws, regulations and policies.
- ❖ The Contractor will be required to setup new accounts in less than 2 weeks.
- ❖ A testing mode, a way to process test transactions via a live account, must be provided by the Contractor.
- ❖ The Contractor must provide an online Application Program Interface (API) for access to processing transactions. The details will be provided in the procurement library. An online API for retrieving detailed information about the state of transactions and batch data is also required. The details will be provided in the procurement library.
- ❖ A 99.5% availability service level is required for all electronic payment services.
- ❖ The Contractor must maintain an average response time for approval of credit card and internet initiated ACH transactions of not more than three (3) seconds, and must be completed within thirty (30) seconds.
- ❖ A 24/7 1-800 Help Desk must be provided for use by both application users (especially in the case of EFT transactions) and for use by State agencies and political subdivisions to provide assistance.
- ❖ The Contractor must maintain an dedicated account representative to the State who would be responsible for coordinating all activities necessary to ensure success.

- ❖ The Contractor, throughout all phases, must provide the necessary staffing to meet all of the requirements detailed in this ITB and complete all of the responsibilities in the Scope of Work. The Contractor must also make appropriate staff available to meet with the State as frequently as necessary to make certain the State's needs are being met.
- ❖ The Contractor and all subcontractors must be compliant at all times with the State's confidentiality of information requirements as well as any applicable federal requirements.

Planning Phase

3.8 State Responsibilities

The State shall be responsible for the following activities during the Planning Phase:

- ❖ Provide the Contractor with all relevant documentation on current electronic payment processing, Merchant Service Agreements, Credit Card Acceptance Agreements, EFT Processing Agreements, etc. and clarify particular issues on operations upon request by the Contractor.
- ❖ Make available to the Contractor all relevant documentation pertaining to the operations and statutory requirements of specific applications.
- ❖ Provide documentation and details of current contractor(s) responsibilities.
- ❖ Coordinate communications and meetings between the Contractor and using State agencies and political subdivisions involved in the contract.
- ❖ Provide the Contractor with State standards for electronic payment processing, including confidentiality, records destruction and/or purge requirements and disclosure requirements, reconciliation requirements, authorization requirements, interface requirements for existing State systems; and depository requirements.
- ❖ Review and approve the Planning Phase deliverables, if any, progress updating, and approval of any subcontractors not contained in the Contractor's Technical Bid.
- ❖ Provide the Contractor with relevant documentation on current EFT operations.
- ❖ Obtain signed Confidentiality and Non-disclosure agreements from the Contractor and any subcontractors.

3.9 Contractor Responsibilities

The Contractor shall conduct a detailed survey and analysis of current electronic payment processing activities within those State agencies that are subject to utilization of the contract in finalizing the work plan required as part of the Contractor's Technical Bid. The division of responsibilities will be established and the Contractor may rely upon the following as a general guideline. In addition, the Contractor may presuppose a degree of cooperation as defined in the State Responsibilities.

The Contractor shall be responsible for the following activities during the Planning Phase:

- ❖ Train Contractor personnel with the State system(s) requirements and operations to include interviews with agencies and political subdivisions including other State officials responsible for the financial well-being of the State, and thorough review of systems and user documentation.
- ❖ Familiarize Contractor personnel with the States' services and operations and unique agency and other users' regulations and policies.
- ❖ Establish a method of ensuring compliance with confidentiality, record destruction or purge and disclosure of information requirements.
- ❖ Finalize the detailed work plan and schedule to incorporate the results of the Planning Phase. Tasks and subtasks, including interaction with using agencies and UI, beginning and end date, and the method of performance will be specified for each of the six phases defined in this Section (Section 3) of this ITB.
- ❖ Develop or provide written procedures for the State's approval for system(s) back-up, including safe and secure storage of data. A plan shall also be submitted for State approval demonstrating procedures for recovery and operation in the event of a disaster or other cause which would result in a disruption of services.
- ❖ Submit a written report in accordance with prior approved content and format of Planning Phase progress to the State every week of the Phase. The report shall specify accomplishments during the report period in a task-by-task format, whether the planning tasks are being performed on schedule and any administrative problems encountered.
- ❖ Obtain written approval of any Planning Phase deliverables.
- ❖ In the event the reconciliation processes, including statements, are significantly different than those currently employed by using agencies, the Contractor must submit to agencies proposed processes to replace current operations to the agencies for approval.
- ❖ The Contractor will submit for pre-approval to the State, a plan for timely and efficient single-point-of-contact communications that will include hours of availability, telecommunications, e-mail, etc.
- ❖ Ensure OFDI and RFDI and other financial institution(s) agreements are in place.
- ❖ Establish merchant numbers and, if required, terminal or POS equipment identification numbers for each application that will, during the Operations Phase, enable identification of each location processing transactions. Within the hierarch of numbering configurations, the ability to assign a unique location number is required. The specific requirements may vary from agency to agency and using political subdivisions. Whenever possible these have been identified in Section 4 of this ITB and may be found in the Procurement Library established for this procurement. This requirement will also include, where necessary, coordination with existing applications utilizing existing systems interfaces.
- ❖ Sign and provide to the State applicable Confidentiality and Non-disclosure agreements.

3.10 Milestones

The following milestones are included in the Planning Phase:

- ❖ State acceptance of the Contractor's detailed work plan and schedule.
- ❖ State approval for system(s) back-up, including safe and secure storage of data, and State approval of procedures for recovery and operation in the event of a disaster or other cause which would result in a disruption of services.
- ❖ State approval of the Contractor's plan for timely and efficient single-point-of-contact communications that will include hours of availability, telecommunications, e-mail, etc.

3.11 Deliverables

The following Deliverables are required during the Planning Phase:

- ❖ Weekly progress reports in pre-approved State format.
- ❖ Method of ensuring compliance with confidentiality, record destruction or purge and disclosure of information requirements.
- ❖ Finalized work plan and schedule.
- ❖ Back-up and recovery plans to include, but not limited to, the approach for recovery in the event of disaster and the un-interruption of service.
- ❖ Proposed processes to replace current operations if significantly different from those currently used.
- ❖ The plan for timely and efficient single-point-of-contact communications that will include hours of availability, telecommunications, e-mail, etc.

Transfer Phase

3.12 State Responsibilities

The responsibilities of the State during the Transfer Phase shall include:

- ❖ Coordinate communications and act as liaison between the new Contractor and any incumbent contractors.
- ❖ Review network(s) and system(s) test results and recommend acceptance, modification, and/or retest.
- ❖ Provide time for the training of State personnel on the new network(s), system(s), reconciliation, depository, and other new processes.
- ❖ Approve bulletins and informational material to individuals and businesses, those paying fees, and the general citizenry about impending changes.
- ❖ Where possible, arrange with current contractors to provide the Contractor with files, current data, etc. to prepare for acceptance testing.
- ❖ Arrange the transfer or purging of all archives, files, etc.

- ❖ Advise the Contractor of any changes made by UI, any incumbent contractor, or the State to applications prior to July 1st, 2004.
- ❖ Review and approve proposed operating procedures.
- ❖ Review and approve network(s) and system(s) capabilities verifying that all aspects of current capabilities are included in the new network(s) and system(s).

3.13 Contractor Responsibilities

The Transfer Phase will require the transparent migration of all current electronic payment processing and EFT operations to the Contractor's network(s) and systems(s) and will encompass hardware, software, Merchant Services Agreements, and finalization of all documentation. Additionally, this Phase will include agency employee training, customized training for the Office of the Treasurer, State Division of Finance, and the Utah State Tax Commission. This transfer will also include the testing of POS equipment, equipment preparation, and EFT testing. If hardware conversion is proposed by the Contractor, the Transfer Phase may also involve modifications to existing software necessary to accommodate hardware and network system requirements. However, such conversion shall be transparent to the users and the State shall not require applications to be modified.

The responsibilities of the Contractor during the Transfer Phase shall include:

- ❖ Where possible, modify existing network(s) and system(s) to accommodate State requirements.
- ❖ If necessary, coordinate with UI pending changes to Merchant Services, internet initiated ACH transactions, and credit card acceptance and/or processing that may affect or be noticeable to application users. Coordinate with agencies notifications to EFT customers, individuals and businesses, and other users of EFT of pending changes.
- ❖ Coordinate with incumbent contractors on questions and problems relating to the transfer of data.
- ❖ Perform network(s) and system(s) tests to assure that all applications and transaction processing requirements, including EFT function properly.
- ❖ Identify necessary modifications to manual and/or automated operating procedures, interfaces, reconciliation processes, etc., and define relationships and responsibilities of both the Contractor and the using agencies.
- ❖ Provide training to State personnel in network(s) and system(s) operations and support functions, especially with regard to reconciliation procedures. This training will include training related to payment and credit/debit/EFT processing requirements.
- ❖ Finalize any systems and user documentation as required to fully describe the electronic payment processing environment used by the Contractor.
- ❖ Report progress against the work plan in weekly progress reports.
- ❖ Obtain written approval of Transfer Phase Deliverables by the State.

3.14 Milestones

The following Milestones are included in the Transfer Phase:

- ❖ Completion of network(s) and system(s) tests.
- ❖ Review and approval of network(s) and system(s) test results by the State.
- ❖ State acceptance of any proposed modifications to operating procedures.
- ❖ State acceptance of systems and user documentation.

3.15 Deliverables

The following Deliverables are required during the Transfer Phase:

- ❖ Network(s) and system(s) test results.
- ❖ Complete user documentation, including operating procedures.

Acceptance Test Phase

3.16 State and Contractor Responsibilities

Acceptance Test Phase is designed to provide assurances that the electronic payment processing network(s), system(s), Merchant Services, including full credit card acceptance, EFT, both ACH Debit and Credit, and all other requirements to successfully perform the requirements of the contract meets the standards of the State. Further, this Phase will demonstrate to the State that the Contractor is ready to perform all Merchant Services and EFT functions and contractual requirements, and to provide the State with familiarity with the network(s) and system(s) prior to implementation. Operational readiness means that the Contractor is ready to “go live” and process all electronic payments accurately, efficiently, and timely according to the State standards. Meet reconciliation and reporting requirements, utilize a fully operational Help Desk and single-point-of-contact, have a demonstrated back-up and recovery capability, and provide full services as defined in the Requirements Document.

Operations Phase

3.17 General

The relative responsibilities of the State and the Contractor for the Operations Phase of the contract are described in the following subsections with respect to applications and general description of services. The organization of this Subsection is for convenience only. Many of the responsibilities are neither directly Merchant Services nor EFT transaction processing but are required services organized under the heading to which they most closely relate. Also note that although every effort has been made to include as many points as possible for a successful Operations Phase, some may have been inadvertently overlooked. However, the Contractor will be responsible for all functions necessary to successfully perform the requirements of the contract. No State responsibilities have been included in this Subsection. Each using agency and political subdivision are expected to provide cooperation with the Contractor to ensure that the Operations Phase provides for the most efficient, timely, and accurate processing of all electronic payment transactions. The State affirms its duty to uphold

the public trust and recognizes its obligations to be fiscally responsible as stewards of public funds. The Contractor is expected to understand the responsibilities of the State from the previous phases.

Throughout the Operations Phase the Contractor must provide for reporting to meet the obligations of the State. Reporting capabilities must be flexible enough to allow each agency and political subdivision to choose reports that meet their individual needs. Reporting should be available in a machine parsable format via an API. Each agency or using political subdivision may or may not choose the same reports or reporting frequency and the Contractor must allow for that. The reporting requirements, in most instances, will have been finalized during previous phases.

The Contractor must be able to accept payment and credit and EFT records directly from State agencies or political subdivisions, through the services provided by UI, and/or other third party vendors on behalf of the State.

Settlement to the State must be provided such that the proceeds from the payment and credit records are deposited into the State account(s) no later than three banking days after the payment and credit records are sent (batched) by the applications.

3.18 Credit Card Acceptance and Transaction Processing

3.18.1 Contractor Responsibilities

The responsibilities of the Contractor for credit card acceptance and transaction processing during the Operations Phase shall include:

- ❖ Processing for multiple “brands” and types of cards. Based upon the information contained in Section 2 of this ITB, the State assumes that agencies will choose to accept one, several or all of the following cards: Master Card, Visa, Discover, and American Express. In addition, agencies may modify existing applications or implement new applications that will accept debit cards and will utilize the following (though not necessarily limited to) debit networks: Star/Explore, Interlink, Maestro, and Accel/Exchange.
- ❖ Provide for the authorization and settlement of transactions through the appropriate authorization and settlement networks.
- ❖ Provide gross settlement using the Automated Clearing House (ACH) to designated State agency and political subdivision bank accounts for all payment and credit records processed.
- ❖ As an option available to State agencies and political subdivisions, provide a 20 character, alpha-numeric, agency unique field, for each individual credit card transaction (both swiped and verbal). This field must show on any requested reports that are provided in which individual transactions are represented.
- ❖ Ensure that the ACH record provides sufficient detail identifying information to enable the Office of the State Treasurer and State Division of Finance to determine which agency or political subdivision is to receive the funds (This should be part of the discovery processes conducted under previous phases).
- ❖ Provide research and problem resolution related to transaction and/or settlement discrepancies.
- ❖ Coordinate the acceptance of transactions from UI or other gateway providers.

- ❖ Provide on-going training opportunities for using personnel as may be required related to pay processing requirements, reconciliation, changes in NACHA rules, such as procedures for handling retrieval requests, charge backs, accessing reports and transaction data, and/or other processes and procedures which may be required or will be beneficial to the efficiency of the State.

3.18.2 Deliverables

The following Deliverables for credit card acceptance transaction processing are required during the Operations Phase:

- ❖ Provide daily, weekly, and monthly detail and summary reports electronically, in a machine parsable format via an API, to each individual agency and using political subdivision by application to provide the information needed to receipt the payment to the proper accounts. Reports should also be available via mail or fax if electronic reporting is not desired or in the event of disaster or failure of transmission. Depending on the agency, using political subdivision, or application, there may be varying requirements on the amount of detail required.
- ❖ In some instances for some applications, reports and information in lieu of and/or in addition to reports must be transmitted via interfaces with existing systems.
- ❖ Examples of existing reports are provided in the Procurement Library. Currently agencies and using political subdivisions may be receiving the following reports:
 - Daily transaction detail for credit cards
 - Daily transaction detail for debit cards
 - Daily summary by terminal or POS equipment with grand totals at the end of the report – includes both credit and debit card activity
 - Monthly summary by terminal or POS equipment with grand totals – includes both credit and debit card activity
 - Daily merchant disbursement notice summary by terminal for debit card activity
 - Weekly reports detailing deposits by date by terminal or POS equipment
 - Daily transaction detail for credit cards by terminal or POS equipment with totals at end of report.
- ❖ Provide electronic data files to agencies and using political subdivisions for integration into agency or political subdivision revenue and/or reconciliation programs. (In addition to the information contained in Section 4 of this ITB requirements for these deliverables will have been established in previous phases.)
- ❖ Provide a monthly report to the Office of the State Treasurer and the State Division of Finance summarizing the activity for all State agencies by agency, by card type and include gross revenue (and/or sales), returns (and/or refunds), net revenue (and/or sales), and transaction counts. This report must include all card types and have been pre-approved during previous phases.

- ❖ Provide a monthly invoice to each State agency, and as determined by the political subdivisions, for all transaction costs (processing fees and other fees) associated with the payment and credit/debit records processed. Include sufficient documentation to support all costs invoiced, including breakout by card type and transaction type, gross revenue(and/or sales), returns, net revenue (and/or sales) and transaction counts.

Some agencies or political subdivisions may require invoicing and cost breakout down to the division or section level within an agency or political subdivision. This is due to unique cost accounting for agencies/ receiving various forms of state and federal funding or Congressional or State Legislative requirements.

- ❖ Consistently work in providing training to the state agencies and political subdivisions regarding credit/debit card applications, NACHA rules, advancements in technology, cost efficiency, and innovations.

3.19 EFT Transaction Processing

3.19.1 Interactive Voice Response (IVR)

3.19.1.1 Contractor Responsibilities

The responsibilities of the Contractor for EFT acceptance and transaction processing during the Operations Phase shall include:

- ❖ The Contractor shall ensure that the EFT payment system shall be password protected and accessible by individuals and businesses from anywhere in the United States through a toll-free telephone voice response system developed and maintained by the Contractor. The system shall be available to individuals and businesses 24 hours a day, seven days a week.
- ❖ The telephone payment IVR system shall be configured to allow for sufficient phone lines based on the anticipated volumes to ensure that no taxpayer will experience telephone busy signals when calling in EFT payment environment.
- ❖ The EFT payment system shall be password protected and accessible via the Internet. The Internet payment site shall be developed and maintained by the Contractor and obtain from the taxpayer the same information as in the IVR payment system. The Internet site shall include a help section that contains a question and answer area and instructions on how to obtain additional information. The final layout of the site and edits must be approved by the using State agencies and political subdivisions.
- ❖ The Contractor will not process a payment for an individual or business that is not registered.
- ❖ Contractor will make a payment data file available to each state agency through direct transmission or dial up depending on agency request. At a minimum, the Contractor shall, if requested by a State agency or political subdivision, electronically transmit to the State agency or political subdivision no later than 9:00 a.m. MT on the day following the entry of ACH Debits into the banking system a copy of the entire ACH Debit file, including all ACH Debit transactions and the TXP addenda information. Refer to the Procurement Library for data fields and format.

- ❖ The Contractor will be required to warehouse payments for at least 45 days or until the withdrawal date specified by the individual or business, whichever is first. Warehoused payments shall have the payment information stored by the Contractor and then delivered to the State bank(s) by 5:30 p.m. Mountain Time one business day prior to the payment effective date.
- ❖ The Contractor must ensure that the funds are withdrawn from the individual's or business' bank account to the designated State bank account on the day specified by the individual or business.
- ❖ The system must allow individuals and businesses to use the IVR or Internet to make changes or cancellations to payments.
- ❖ The Contractor will be required to provide personal assistance to individuals and businesses having difficulty with making payments on their touch tone phone. Voice backup (personal assistance) should be activated by pauses in the payment process or as directed in the script. The system shall be available to individuals and businesses 24 hours a day, seven days a week (24/7).
- ❖ Current payment scripts are included in the Procurement Library. To ease conversion for the current EFT filers, this script must be closely duplicated. The State will work with contractor to develop a similar script.
- ❖ In order for individuals and businesses to make corrections or cancellations to payments made during the course of the day, the Contractor may not transmit the payment data file to either the bank or to the State agency until after the 4:00 p.m. Mountain Time cutoff each business day. All corrections and cancellations received by the Contractor since 4:00 p.m. on the previous business day via the Internet or the IVR are to be part of the current day's transmission to the State and to the bank.

3.19.1.2 Transmission of data to State bank(s)

All data and transactions processed by the Contractor and transmitted to the State bank(s) must follow the following:

- ❖ Payment records must be formatted per current Automated Clearing House (ACH) rules as published by the National Automated Clearing House Association (NACHA). The Contractor must also adhere to any special formatting instructions used by the State bank(s).
- ❖ The ACH file of tax payments must include the tax payment (TXP) banking convention with the addendum record of a NACHA CCD + transaction. TXP conventions must be followed exactly for proper posting of payments.

3.19.1.3 Deliverables

The following Deliverables for IVR transaction processing are required during the Operations Phase:

- ❖ The Contractor must provide a monthly client listing report in an electronic format, pre-approved by the State agency(ies) or political subdivision(s). This report must include, but is not limited to, individual or business Utah taxpayer identification number, ABA number, account number, last monetary use date, and individual or business name.

- ❖ The Contractor must, on a daily basis, transmit electronically to the State agency(ies) or political subdivision(s) a copy of the entire ACH Debit File, including all the ACH Debit transactions and the TXP addenda information.

3.19.2 Internet Initiated ACH

3.19.2.1 Contractor Responsibilities

The responsibilities of the Contractor for Internet Initiated ACH acceptance and transaction processing during the Operations Phase shall include:

- ❖ Provide gross settlement using the Automated Clearing House (ACH) to designated State agency and political subdivision bank accounts for all payment and credit records processed.
- ❖ Ensure that the ACH record provides sufficient detail identifying information to enable the Office of the State Treasurer and State Division of Finance to determine which agency or political subdivision is to receive the funds (This should be part of the discovery processes conducted under previous phases).
- ❖ Provide research and problem resolution related to transaction and/or settlement discrepancies.
- ❖ Coordinate the acceptance of transactions from UI or other gateway providers.
- ❖ Provide on-going training opportunities for using personnel as may be required related to pay processing requirements, reconciliation, changes in NACHA rules, such as procedures for handling retrieval requests, charge backs, accessing reports and transaction data, and/or other processes and procedures which may be required or will be beneficial to the efficiency of the State.

3.20.2 Transmission of Data to State bank(s)

All data and transactions processed by the Contractor and transmitted to the State bank(s) must follow the following:

- ❖ Payment records must be formatted per current Automated Clearing House (ACH) rules as published by the National Automated Clearing House Association (NACHA). The Contractor must also adhere to any special formatting instructions used by the State bank(s). All transaction codes used must be accurate and NACHA compliant.
- ❖ The ACH file of tax payments must include the tax payment (TXP) banking convention with the addendum record of a NACHA CCD + transaction. TXP conventions must be followed exactly for proper posting of payments.

3.20.3 Deliverables

The following Deliverables for Internet Initiated ACH transaction processing are required during the Operations Phase:

- ❖ Provide daily, weekly, and monthly detail and summary reports electronically, in a machine parsable format via an API, to each individual agency and using political subdivision by application to provide the information needed to receipt the payment to the proper accounts. Reports should also be available via mail or fax

if electronic reporting is not desired or in the event of disaster or failure of transmission. Depending on the agency, using political subdivision, or application, there may be varying requirements on the amount of detail required.

Turnover Phase

3.21 General

Recognizing the inherent responsibilities of the State in the expenditure of public funds, i.e. to consistently strive to obtain the greatest value through the competitive procurement process, any contract awarded under this procurement effort will have an inevitable termination date. Prior to that date, the Contractor shall if required, provide assistance to the State in the transfer of the then-current files, data, etc. to the State or a new contractor in the event the incumbent is not awarded a successor contract.

3.21.1 State Responsibilities

The responsibilities of the State during the Turnover Phase shall include:

- ❖ Providing notice to the Contractor prior to the end of the contract that it is the State's intent to take over the operations of Merchant Services, EFT, and other electronic payment processing services being provided by the Contractor or the State's intent to conduct a procurement of a new contract.
- ❖ Review and approve the Turnover Plan to facilitate and organize the transfer of the services provided under the existing contract to the State or designee.
- ❖ Coordinate the transfer of files, data, and other information to the State or to the State's designee.
- ❖ Review and approve Turnover Phase Progress Reports which document the completion of Turnover Phase Tasks.

3.21.2 Contractor Responsibilities

The responsibilities of the Contractor during the Turnover Phase shall include:

- ❖ Prepare and submit a detailed Turnover Plan within thirty (30) days of formal request by the State. The Plan shall define the turnover approach, define all tasks and subtasks, and provide a schedule and resource requirements for the Turnover Phase.
- ❖ Provide a current listing of all agencies and applications utilizing the services of the Contractor.
- ❖ As requested, transfer all files, data, and other materials to the State or State agencies and political subdivisions or the State's designee within ten (10) working days of each request.
- ❖ In the event the State, State agency, or using political subdivision desires to assume the responsibilities for the services provided by the Contractor, the Contractor shall provide training in support of the transfer.

- ❖ Fully support parallel and acceptance testing of the electronic payment processing services being transferred to the State, State agency, or using political subdivision and/or the State's designee.
- ❖ Provide the State, State agencies, or using political subdivisions Turnover Phase Progress Reports documenting Turnover Phase tasks.

3.21.3 Milestones

The following Milestones are included in the Turnover Phase:

- ❖ State approval of the Turnover Plan.
- ❖ Transfer of all files, data, and other material to the State, State agencies, or using political subdivisions and, if requested, completion of Turnover Phase training.

3.21.4 Deliverables

The following Deliverables are required during the Turnover Phase:

- ❖ Turnover Plan.
- ❖ Turnover Phase Progress Reports.
- ❖ Files, data, and other materials necessary to complete a successful turnover.

Section 4

Technical Bid Requirements

General

4.1 Technical Bid Format Requirements

The Technical bid shall comply with the submission requirements specified in this Section. The respective components must comply with the organizational structure and content requirements contained in this section. All components of bids should be organized in the order in which the requirements are presented in this Section. All pages of the bid, including the electronic versions, should be numbered and each subsection of the bid should reference the subsection number of the corresponding subsection of this ITB. The bids should contain a table of contents, which cross references the requirements contained in this ITB. Additional information the bidder wishes to present that does not fall within any of the requirements of this ITB should be inserted at an appropriate place or attached at the end of the bid and designated as "Additional Material".

The Technical Bid component must contain the bidder's Transmittal Letter. Transmittal Letter requirements are contained in Section 4.6 and 47.

4.2 Bid Form

The State's "Invitation to Bid" form must be completed and signed. The form must accompany the bid and be easily identifiable attached to the hardcopy original.

4.3 Cost-Conscious Bid Preparation

Unnecessarily elaborate brochures or representations beyond that sufficient to present a complete and effective bid are not desired and may be construed as an indication of the bidder's lack of cost consciousness. Bidders must furnish all information requested in order to be considered responsive. References to literature submitted with previous bids or otherwise will not satisfy this provision and may cause rejection of the bid. All bids received by the State shall upon receipt become and remain the property of the State.

Bid Submission

4.4 Bid Submission

Each bid must be submitted: 1) as an original printed bid, one printed copy, and two identical electronic copies. The electronic copies should be submitted on separate CDs with text in Microsoft Word® or Acrobat PDF. Facsimile bids will not be considered. All bids must be physically received by the State of Utah, Department of Administrative Services, Division of

Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, Utah 84114 prior to 3:00 p.m. MT, July 20, 2004. Late bids will not be considered under any circumstances.

The outside cover of the package containing the Technical Bid shall be marked:

Technical Bid
(Bidder Name)
Bid Closing Date and Time
Bid Number: RM5902

4.5 Bid Amendments

Any amendments to the technical bid shall be submitted in the same manner consistent with the instructions described in this section and clearly labeled as "Amendment to Technical Bid".

Transmittal Letter

4.6 Transmittal Letter Purpose

The Transmittal Letter must be submitted on the bidder's official business letterhead. The letter is to transmit the bid and shall identify all materials and enclosures being forwarded collectively as a response to this ITB. The Transmittal Letter must be signed by an individual authorized to commit the company to the scope of work proposed.

4.7 Transmittal Letter Content Requirements

- ✓ Identification of all subcontractors, including the percentage of work (as measured by the percentage of total price, without identification or discussion of actual costs) to be performed by the prime contractor.
- ✓ A statement of compliance with NACHA rules, regulations, policies, procedures, and guidelines as may be in effect at the time of bid submission and a statement of continued compliance with NACHA rules, regulations, policies, procedures, and guidelines as may be approved and implemented by NACHA.
- ✓ If subcontractors are used, a statement of responsibility for performance of the tasks to be performed by or assigned to a subcontractor(s). A brief outline of those tasks and a statement of agreement to include requirements of any subcontractors to conform to State of Utah laws, rules, regulations, policies, and compliance with NACHA guidelines as in effect at the time of bid submission and as may be approved and implemented by NACHA during the course of their subcontract for work performed on any State transactions.
- ✓ A statement that the proposed Merchant Services, EFT, and any other electronic payment processing or financial and banking activities engaged by the bidder with any user of any contract awarded as a result of this procurement effort will meet the specifications and requirements contained in this ITB, or clearly specify any deviations from the ITB.
- ✓ A reference to all ITB addenda received by the bidder to ensure the bidder is aware of all such addenda. If no addenda have been received, a statement to that effect should be included.

- ✓ A statement acknowledging and agreeing to all of the rights of the State contained in the provisions of this ITB, including, without negotiation, an acceptance of the State's Standard Terms and Conditions published herein as "Attachment A".
- ✓ A statement agreeing to provide settlement to the State such that the proceeds from the payment and credit records are deposited into the State account(s) no later than three banking days after the payment and credit records are sent (batched) by the applications.
- ✓ Certification that, in the event the bidder's Technical Bid is determined "acceptable" the bidder's Price bid, when submission is requested, will be firm and binding for six months from the due date for submission of bids.
- ✓ A statement that no cost or pricing information has been contained in the Technical Bid.
- ✓ An identification of those sections contained in the bid that the bidder is requesting to be protected as proprietary.
- ✓ All bids submitted by corporations must contain a certification by the Secretary or other appropriate corporate official, other than the signer of the bid, that the official signing the bid has the authority to obligate and bind the corporation to the work to be performed, the contents and provisions of the Technical and Price components of the bid and the terms and conditions contained herein.

The Technical Bid

4.8 Content Organization

The organization of a bidder's bid must follow the order presented in this Section; use headings and ITB Section and Subsection numbers when responding to specific items. In order to ensure consideration of unambiguous references to requirements for bid content all items should be cross-referenced.

4.9 Approach to Contract Performance

- 4.9.1 This section of the Technical Bid shall describe the bidder's approach to contract responsibilities for each of the major tasks in the Statement of Work. A detailed work plan for the contract start-up phase is required. This work plan should be augmented by task schedules.
- 4.9.2 The approach to contract performance shall also include a discussion of how the bidder will comply with the general performance standards contained in this ITB. Examples of documentation, statements, reports, transaction logs, etc. submitted on previous similar contracts shall be provided in this section or in an appendix to the Technical Bid. (Appendices must be easily identifiable and referenced respective to the section in which they are applicable).
- 4.9.3 The bidder's proposed approach to contract management during the phases of the contract should also be provided. This discussion should include references for past performance. References may be included as an appendix to the Technical Bid.

4.9.4 Bidders must submit a copy of all merchant card agreements, ACH clearing agreements, and any other agreements that the bidder is proposing to become part of any final contract, as well as any language the bidder requires specific to the services provided.

4.9.5 General Performance Requirements

4.9.5.1 This subsection of the Approach to Contract Performance section shall describe the bidder's approach to the following general performance standards:

- ⇒ Interface development standards, including interface(s) with UI;
- ⇒ Documentation standards addressing systems, design, operations and user documentation separately and providing samples of each;
- ⇒ Security, controls, and confidentiality standards and documentation. Include a discussion of security features and procedures for POS terminals, internet transactions, ACH Debit and Credit transactions, transaction receipts, and reports;
- ⇒ System(s) availability and response times (e.g. authorization response time, **, etc., including performance monitoring tools;
- ⇒ Timeliness of transaction processing for all types of transactions;
- ⇒ Accuracy of transaction processing, including quality assurance standards;

4.9.5.2 Contractor Responsibilities and Project Work Plan

The material submitted for this subsection of the Approach to Contract Performance shall address:

- ⇒ The bidder's approach to contract start-up tasks, including:
 - Extent of acceptance testing anticipated for each identified application and plan for addressing agency-specific needs across multiple agencies,
 - Implementation activities, such as transfer of accounts (EFT), account inventories (EFT), un-interruption of application(s) services,
 - Conversion planning, coordination, and testing,
 - Proposed scope of readiness assessments for each application,
 - Any assumptions or constraints in completing the detailed contractor responsibilities.
- ⇒ The bidder's approach to operational responsibilities, including:
 - Proposed location(s) of major functions,
 - Transaction processing functions, including flow charts and financial flows for credit cards and EFT transactions,

The successful bidder will be designated as the prime contractor and responsible for all of the work to be performed under the contract. Bidders must identify proposed subcontractors in this section of their bid. At a minimum, this identification shall include the name, address, and the scope of work to be performed by such subcontractors. Any subcontractor not listed at the time of bid submission shall require the prior written approval of the State.

Financial institutions relations support,

Relationships with credit issuing Institutions,

Customer support,

Reconciliation support,

Report production and distribution, including a discussion of online reports availability and hardcopy reports frequency and distribution. Samples may be provided as an appendix.

Interfaces with existing applications and UI,

Expansion of electronic payment processing, new applications, expanded merchant services, etc.

Proposed processing cycles and use of system(s) edits and audits and any transaction processing limitations.

- ⇒ Anticipated problem areas and approach in mitigating, managing, or preventing them and their impact on State of Utah financial operations;
- ⇒ A breakdown of all project start-up tasks into a work plan identifying subtasks and activities;
- ⇒ A calendar-based task schedule for the start-up phase showing estimated contractor person hours (person days may be substituted providing enough detail is presented to give the State of Utah a thorough understanding of the level of effort proposed and expected by the bidder), for each task and subtask;
- ⇒ Gantt and PERT charts showing planned start and end dates of all start-up tasks and subtasks and their relationship to each other or other tasks and subtasks;
- ⇒ A schedule for submission and possible revision of all deliverables and their review by applicable State of Utah staff;
- ⇒ Project organization charts for the start-up and operations phases identifying key personnel by name and estimates of staffing support for all other positions.

4.9.5.3 Approach to Contract Management

The approach to contract management discussion shall address:

- ⇒ Proposed interactions with State of Utah staff, agency-specific operational and financial users, and single-point(s) of contact for State contract management staff,

Office of the State Treasurer, State Division of Finance, Utah State Tax Commission
Chief Financial Officer's office, etc.

- ⇒ Proposed interaction and cooperation with agency and statewide internal auditors, including access to information, system(s) controls review, accuracy audits, compliance with NACHA requirements, etc;
- ⇒ References, including their current telephone numbers (and/or e-mail addresses), for past performance of similar responsibilities should be provided in this final discussion (as stated in subsection 4.9.2, references may be submitted as an appendix. If so, the appendix identification should be included here).

4.10 Understanding of State of Utah (Client) Environment and Transaction Processing Considerations

4.10.1 This section of the Technical Bid shall address those areas within the scope of work that are critical to the successful performance of the contract.

4.10.2 Services

The Services subsection within the Understanding of State of Utah (Client) Environment and Transaction Processing Considerations must include:

4.10.2.1 Processing Functions/Networks

- ⇒ Diagrams reflecting the highlights of the accepting, authorizing, processing, and settling of credit and debit card transactions beginning with the POS to the deposit of funds. Include separate diagrams for standard credit card processing, internet credit card processing – including the activities performed by UI, and debit card processing. An additional diagram reflecting the same highlights required in the proceeding bullet must also be provided for EFT transactions. The diagrams must indicate the functions performed by the bidder and those performed by all others including State personnel and subcontractors.
- ⇒ A description of the network(s) being proposed for each of the application types should, at a minimum, respond to the following:
 - What network(s) will be used for routing transactions?
 - What services are provided by the network (s)?
 - Are different networks used for different types of transaction processing?
 - Are the networks different for processing and settlement?
 - Are the funds transmitted through the network(s) guaranteed?
 - What is the scheduled downtime for the network(s)
 - What backup procedures are available in the event of network failure?
 - How will the State and individual users be notified of a network failure?
 - In the event there is a failure of data transmission, who is responsible for notification of the failure, how will it be discovered and when will it be communicated?
 - What number(s) are dialed to reach networks for authorization/batch processing? Are telecommunication charges incurred? What options are available for communication connections, i.e. regular phone lines, special phone number (950), ISDN lines, etc. Describe the features of each type.
 - List various third party vendors with whom you have obtained/issued certifications for processing?

- List any other services which are routinely associated with payment and credit record processing.

4.10.2.2 Settlement

- ⇒ Discuss operational procedures for settling payment and credit records, identifying: what time(s) batches sent for processing and settlement will be forwarded through the settlement network(s) for final settlement; the actual time after cutoff for releasing batches when the funds will be deposited into the State account(s); any cutoff times that must be met to ensure settlement by the times listed.
- ⇒ What financial institution is utilized for settlement purposes?
- ⇒ Describe the approach to settlement problem resolution. Are problems resolved on a same-day basis? Is a 1-800 number provided for settlement problem resolution?

4.10.2.3 Acceptable Transactions

- ⇒ List all cards that can be processed by the bidder's system(s) and describe the procedures for assessing the fees (without the presentation of actual fees), note any differences in procedures by various card types;

4.10.2.4 Reporting

- ⇒ Describe the bidder's electronic reporting capability related to the requirements contained throughout this ITB including specific requirements for access or compatible equipment. When are the reports available (how soon after processing)?
- ⇒ In addition to electronic access to reports, describe access to transaction data files that might be used by State agencies and other to interface the data directly into existing internal systems if required. Provide a copy of the data file specifications and detailed computer requirements for electronic files.
- ⇒ Provide samples of both the standard detail and summary level reports to be provided to State agencies and using political subdivisions .
- ⇒ Provide a sample of the monthly reports that would be prepared for the Office of the State treasurer and the State Division of Finance detailing the activity (transactions/charges/etc.) broken down by State agency plus a summary for all agencies in total. These reports must include all transaction types. How soon after month-end would these reports be available?
- ⇒ Describe the processes and timeframes required for the notification of changes in file structure and specifications.

4.10.2.5 Billing and Administration

- ⇒ Describe the bidder's ability to provide daily gross settlement and monthly billing for processing fees;

- ⇒ Detail any requirements the bidder has related to billing each State agency monthly for processing fees associated with payment, transactions, and credit record processing. Provide a sample of invoices and supporting documentation;
- ⇒ The assignment of merchant numbers for each State agency and application is key to being able to identify the source of funds received at settlement. Discover Card and American Express assign their numbers for each application. Describe how the bidder will assign those numbers and/or use existing merchant numbers for Visa and Master Card. Describe to what extent the bidder's system(s) has the flexibility to work with the State in developing/assigning these numbers to assure easy identification and assignment of funds to the proper agency, application, and/or agency location;
- ⇒ Describe the bidder's procedures for handling charge backs, specify the process when a signed receipt is available and the process for other transaction types and applications, i.e. internet;
- ⇒ Without discussing or revealing specific rates or other information contained in the Price Bid, state the bidder's position towards the understanding that as new applications are introduced and transaction volumes increase from these new applications and usage of existing applications increase, i.e. total dollar volumes and transaction volumes increase, all State agencies and using political subdivisions would enjoy a reduction in rates according to a tiered pricing schedule.

4.10.2.6 Training and Consulting

- ⇒ Describe the training the bidder will provide to State agency personnel and the personnel of other using political subdivisions related to credit card processing requirements, EFT transactions, security, and fraud, completing a POS transaction, handling charge backs, accessing reports and transaction data, and/or any other processes and procedures.
- ⇒ As previously stated, the selected bidder will be required to work with the State's gateway provider, UI, and perhaps other gateways and third party providers of services. To what extent is the bidder willing to work in consultation with these other organizations?

4.10.2.7 Equipment and Software

- ⇒ Describe the equipment available for standard POS applications, including credit and debit card processing. Provide brochures and specification sheets. Without discussing actual pricing or information contained in the Price Bid, describe purchase and lease/rental options available for the equipment.
- ⇒ Describe software available for use on existing PC-based POS systems. Also describe the bidder's ability to work with existing software as described in Section 2 of this ITB. It is desirable that any software would not be proprietary, but rather based upon open industry standards. Describe plans for maintenance and support and/or training on maintenance of the software provided. Provide brochures and specification sheets if possible.

4.10.2.8 Transition

- ⇒ To avoid unnecessary costs, address how State agencies could use existing equipment/systems instead of purchasing new. Include specific information on any replacement equipment/software required. The bidder must support existing equipment or state any modifications/upgrades that would be required for this equipment to work in the bidder's environment.

4.10.2.9 Other Services

- ⇒ Describe the efforts the bidder is making in various forms of electronic commerce, especially internet applications, including but not limited to internet check processing, internet bill presentment. Include the bidder's efforts towards POS electronic check processing and EFT applications.
- ⇒ Provide a summary of the bidder's investment and commitment to developing such future electronic payment processing technology and how that new technology would be made available to the State.

4.11 Corporate Experience

- 4.11.1 The corporate experience section of the Technical Bid shall include general corporate information and specific previous experience. The bidder must have at least five (5) years experience in processing payment records and credit records transmitted for processing and settlement from major credit/debit card processing networks. The bidder must have a minimum of five (5) years processing EFT/ACH Credit and Debit transactions. Subcontractors may be used to satisfy this requirement. Financial statements and other financial information to demonstrate fiscal solvency should be included in this section. Minimum information required is described in the following paragraphs.

4.11.2 Corporate Information

Corporate Information must include:

- ⇒ Date established or Year of Organization;
- ⇒ Ownership (public company, subsidiary, etc.);
- ⇒ Year of initiation of credit/debit card processing businesses and EFT processing;
- ⇒ Nature of relationships with affiliated companies or joint ventures;
- ⇒ Number of personnel broken down by employees assigned to merchant services, electronic payment processing, and EFT contracts and any employees currently assigned to implement similar programs in other states;
- ⇒ Computer resources and Network resources.

4.11.3 Financial Statements

Financial statements for the most recent three years must include:

- ⇒ Balance sheets;
- ⇒ Statements of Income;
- ⇒ Statements of changes in financial position;

- ⇒ Auditors' reports;
- ⇒ Annual reports.

4.11.4 Previous Experience

A history of the bidder's previous experience and involvement with the implementation of Merchant Services contracts, EFT contracts, and operations of Merchant Services contracts and EFT contracts and/or the administration of electronic payment processing and credit card acceptance shall be provided. Indicate all previous experience with related governmental programs or systems, including any federal programs. Also include any experience as a fiscal agent, prime contractor responsible for the management of subcontractors, and/or as an underwriter. List all of the networks used by the organization for providing processing and settlement services. In each case list the client's or subcontractor's name, type of program, type of contract (including types of services provided), and inclusive dates of the contract(s). In addition, for projects within the last five years, provide the name, address, and current telephone number and/or e-mail address of the client's or subcontractor's responsible project administrator or of a senior official of the client or subcontractor who is familiar with the bidder's performance and who may be contacted by the State of Utah during the evaluation process.

4.11.5 Project Descriptions

A project description of each of the references listed above shall be included. It shall include the scope of the project, including personnel requirements and the transaction volume, where applicable. The project descriptions shall provide a description of the work performed, the time period of the project, person-weeks expended, and contract costs. The descriptions should be broken down into the following areas of experience:

- ⇒ Applications' payment processing transfer from an incumbent contractor to the bidder;
- ⇒ Development of interfaces;
- ⇒ Direct work with clients or state agencies while operating merchant services and EFT systems;
- ⇒ Experience in other financial transaction processing development, operations or maintenance, especially for government agencies;
- ⇒ Other related projects.

4.11.6 Personnel

- ⇒ Provide resumes of key individuals who would be involved or assigned to the State for the services and account administration required by this ITB;
- ⇒ Detail the ability of personnel who would be assigned to the State account to provide proactive technical assistance and training;
- ⇒ Provide the detail on support staff in terms of the size of staff and the level of the person who would be assigned to the State account.

4.11.7 Internal Controls and Risk Management

- ⇒ Describe the system of controls that assure accuracy of the processing and reporting of all transactions processed under the requirements of this ITB.
- ⇒ Describe the procedures and provisions that are in place to be employed in the event of disaster or equipment failure;
- ⇒ Describe the various types of insurance coverage and indemnification provided to protect the State and using political subdivisions as well as those using electronic payment processing services, including risk coverage, carriers, insurance levels, limitations, and deductibles; include bonding and licenses.

4.11.8 Certifications

The bidder must certify that neither it nor any proposed subcontractors have:

- ⇒ Any affiliations with person(s) recognized by law enforcement officers as being habitual criminals or members of criminal cartels;
- ⇒ Any convictions or judgments (civil or criminal) for fraud, deceit, or crimes involving moral turpitude;
- ⇒ A petition under the Bankruptcy Act, or any State insolvency law, filed by or against any of the named ;
- ⇒ Any order, judgment, or decree of any federal or State authority barring, suspending, or otherwise limiting the right or license of the bidder to engage in any business practice or activity;
- ⇒ A subsidiary or intermediate company, parent company or holding company that was, during the last two (2) years, the subject of any order, judgment or decree of any federal or State authority barring, suspending, or otherwise limiting the right or license of the bidder to engage in any business practice or activity.

The Price Bid

4.12 Price Bid Requirements

- 4.12.1 This is a multi-step procurement process. As such, Price Bids will not be accepted nor are Price Bids requested at the time of Bid Submission. Price Bid submissions will be requested only from those bidders whose Technical Bids have been categorized as “acceptable” upon completion of the final step of Phase One. The Procurement Officer shall issue an addendum to this ITB to the aforementioned categorized bidders particularizing the submission date and time as well as providing required pricing schedules.

Section 5

Technical Bid Evaluation

Evaluation Process

5.1 Evaluation Organization

- 5.1.1 An Evaluation Committee will be established by the State of Utah to select the bidder to be awarded the contract.
- 5.1.2 The Evaluation Committee will be responsible for reviewing and scoring the bids received in response to this ITB. No bid shall be scored against criteria not generally presented herein.
- 5.1.3 State officials and other parties, who are not members of either the Evaluation Committee described above, having a legitimate interest may review all bids submitted and provide technical or managerial advice to the Evaluation Committee.

Evaluation of Mandatory Technical Requirements

5.2 Purpose

The purpose of this task is to determine if each Technical Bid accepted by the State on the Bid Due date identified in Section 1.10 has been submitted according to the submission requirements contained in this ITB, is organized as required, contains required information, and is generally and sufficiently responsive to the ITB to permit a complete and comprehensive technical evaluation.

5.3 Submission and Content Requirements

The Technical Bids will be evaluated to determine if they comply with the instructions to bidders listed in Sections 1 and 4 of this ITB. Failure to comply with the instructions may deem a bid non-responsive and subsequently rejected as unacceptable, except that the State reserves the right to waive minor irregularities and request compliance from the bidder. Any Technical Bid that is incomplete or in which there are significant inconsistencies or inaccuracies may be rejected. The State reserves the right to reject any and all bids.

5.4 State Terms and Conditions

The bidder-submitted merchant agreement that is proposed to become part of the contract and any other language that the bidder requires specific to the services provided will be examined separately by State staff not a part of the Technical Evaluation Committee. A failure to accept the State's terms and conditions or any term or condition submitted by any bidder that is found

to be not in the best interests of the State and/or a demonstrated unwillingness of the bidder to amend any questionable term or condition determined to place the State at risk may result in the bid being considered non-responsive and may be rejected. In the event a bid is rejected no further Technical Evaluation will occur.

Evaluation of Technical Bids

5.5 Process

- 5.5.1 The Technical Bids submitted by bidders shall be evaluated solely in accordance with criteria set forth in this ITB.
- 5.5.2 The evaluation of the Technical Bid will involve the categorization of the bidder's responses to the requirements contained in Section 5 of this ITB. The general guidelines for the classifications are:
- Acceptable – Criterion is met.
 - Potentially Acceptable – Clarification from bidder is required to determine if the criterion is met; or evaluators believe that the bid is reasonably susceptible of being made acceptable and the bidder has the capability to meet the criterion by modifying their technical bid.
 - Unacceptable – Criterion is not met, nor is the bidder capable of meeting the criteria.

5.6 Discussions with Bidders

- 5.6.1 Discussions of its Technical Bid may be conducted by the Procurement Officer with any bidder who submits an acceptable or potentially acceptable Technical Bid.
- 5.6.2 During the course of these discussions the State shall not disclose any information derived from one Technical Bid to any other bidder.
- 5.6.3 Once discussions are begun, any bidder who has not been notified that its bid has been finally found unacceptable may submit supplemental information modifying or otherwise amending its Technical Bid at any time until the date established by the State ("Closing date").
- 5.6.4 The technical evaluation and/or discussions may continue until all bids reach a category of Acceptable or Unacceptable.
- 5.6.5 The State reserves the right to ask bidders to demonstrate their ability to meet the requirements of this bid as part of the evaluation process or include in any contract resulting from this ITB a trial period during which only the winning bidder will be asked to meet this requirement.

5.7 Determination of Responsiveness

Factors to be considered in determining whether the bidder has provided sufficient and complete information in their bid to demonstrate the capability to fully provide the products and services described in this ITB for the duration of the contract term are:

5.7.1 Approach to Contract Performance

5.7.1.1 The evaluation of the Approach to Contract Performance section of a bidder's bid will focus on the adequacy of the bidder's proposed approach to both the start-up and operational phases and attendant responsibilities. It will also assess the extent of planning for successful completion of the tasks identified in the bidder's work plan.

5.7.1.2 The proposed project organization, degree of State staff resources necessary to meet the proposed timeline contained in the work plan (and State timeline requirements).

5.7.1.3 The proposed approach for meeting operational performance requirements will be considered in terms of completeness, acceptability, limited risks to the State, and compliance with ITB standards, NACHA compliance, and generally accepted governmental accounting standards. The adequacy of the proposed approach to on-going contract management, single point(s) of contact will be assessed as well as the bidder's previous performance on other contracts.

5.7.2 Understanding of Client Environment and Data Processing Considerations

The evaluation of this area of the bidder's technical bid will cover assessments of the proposed processing functions and networks, settlement processes, and the cards and fees associated with all acceptable transactions. The adequacy of the bidder's reporting capabilities as well as the billing processes and general administration will also be evaluated. Bidders should note that the evaluation of this area will also place emphasis on training and consulting, equipment and software, including the use of existing equipment and systems. The bidder's efforts and commitments to electronic commerce and the description of how new technology would be made available to the State will be considered.

5.7.3 Corporate Experience

The evaluation of Corporate Experience will focus on the combinations of corporate qualifications and the quality of past experience. The detailed evaluation criteria will cover the following:

- ❖ Corporate resources of the organization, including personnel, computer and technology usage and resources, financial stability, and the extent of financial resources necessary to limit the risk to the State of inaccurate transaction processing.
- ❖ Relevance and quality of experience in such areas as
 - Financial systems takeover and transition from other contractors;
 - Merchant services, EFT (ACH Debit and Credit) processing, credit card transaction processing;
 - Diversity and range of transaction types, i.e. Internet, POS, etc;
 - Interaction with a third-party gateway provider, e.g. UI;
 - Financial institutions relations, relationships with Issuing Banks, credit card companies, Merchant Banks, etc.

5.7.4 Reference Checks

The State may conduct reference checks to verify the accuracy of submitted information and materials and to ascertain the quality of the experience. The State reserves the right to pursue

any reference or to selectively contact submitted references to assist in completing this component of the Technical Bid Evaluation.

5.8 Standards of Responsibility

- Among factors to be considered in determining whether the Standard of Responsibility has been met are whether a prospective contractor has:
- Available the appropriate financial resources and depository thresholds, material, software, computer resources, personnel resources and expertise necessary to indicate capability to meet all contractual requirements;
- A satisfactory record of integrity; and
- A site-visit may be requested by the Technical Evaluation Committee.

5.9 Notice of Unacceptable Technical Bid

When the Procurement Officer receives notification that the Technical Evaluation Committee determines a bidder's Technical Bid to be unacceptable, the Procurement Officer shall notify the bidder. Any bidder whose bid is determined to be unacceptable shall not be afforded an additional opportunity to supplement its Technical Bid.

State of Utah Standard Terms & Conditions

Standard Contract Terms and Conditions State of Utah, Statewide Contracts ATTACHMENT A (Invitation for Bids)

1. AUTHORITY: Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.

2. CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE: The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.

3. LAWS AND REGULATIONS: Any and all supplies, services and equipment proposed and furnished will comply fully with all applicable Federal and State laws and regulations.

4. RECORDS ADMINISTRATION: The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later.

5. AUDIT OF RECORDS: The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

6. CONFLICT OF INTEREST: Contractor certifies that it has not offered or given any gift or compensation prohibited by the laws of the state of Utah to any officer or employee of the state or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.

7. INDEPENDENT CONTRACTOR: Contractor will be an independent Contractor, and as such will have no authorization, express or implied to bind the State to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as expressly set forth herein. Compensation stated herein will be the total amount payable to the Contractor by the State. The Contractor will be responsible for the payment of all income tax and social security tax due as a result of payments received from the State for these contract services. Persons employed by the State and acting under the direction of the State will not be deemed to be employees or agents of the Contractor.

8. HOLD HARMLESS: The Contractor will release, protect, indemnify and hold the State and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers.

9. EQUAL OPPORTUNITY CLAUSE: The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

10. SEVERABILITY: If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

11. AMENDMENTS: The terms of this contract will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State Director of Purchasing.

12. DEBARMENT: The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE.

13. CANCELLATION: Unless otherwise stated in the special terms and conditions, any contract entered into as a result of this bid may be canceled without cause by the State upon 60 days notice, in writing, prior to the effective date of the cancellation. Cancellation may be in whole or in part. Cancellation of the contract due to Contractor default may be immediate.

14. TAXES: Bid prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K

15. WARRANTY: The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

16. PARTICIPANTS: This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the bid.

17. POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the

political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

18. QUANTITY ESTIMATES: The State does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for bidding purposes only and are not to be construed as a guarantee to purchase any amount.

19. DELIVERY: The prices bid will be the delivered price to any state agency or political subdivision. All deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without charge.

20. REPORTS: The Contractor will submit quarterly reports to the State Purchasing Agent showing the quantities and dollar volume of purchases by each agency and political subdivision.

21. PROMPT PAYMENT DISCOUNT: Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

22. FIRM BID PRICES: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of bid opening.

23. PRICE GUARANTEE, ADJUSTMENTS: The contract pricing resulting from this bid will be guaranteed for the period specified. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The State will be given the immediate benefit of any decrease in the market, or allowable discount.

24. ORDERING AND INVOICING: Orders will be placed by the using agencies directly with the Contractor. All orders will be shipped promptly in accordance with the delivery guarantee. The Contractor will then promptly submit invoices to the ordering agency. The state contract number and the agency ordering number will appear on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices on file with the Division of Purchasing. The State has the right to adjust any invoice reflecting incorrect pricing.

25. PAYMENT: Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments may be made via a State of Utah (or political subdivision) APurchasing Card.® All payments to the Contractor will be remitted by mail unless paid by Purchasing Card.

26. MODIFICATION OR WITHDRAWAL OF BIDS: Bids may be modified or withdrawn prior to the time set for the opening of bids. After the time set for the opening of bids no bid may be modified or withdrawn.

27. BID PREPARATION COSTS: The State is not liable for any costs incurred by the bidder in bid preparation.

28. INSPECTIONS: Goods furnished under this contract will be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or not in compliance with bid specifications, the Buyer may reject the goods and require

Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph will adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

29. PATENTS, COPYRIGHTS, ETC.: The Contractor will release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract.

30. ASSIGNMENT/SUBCONTRACT: Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State Director of Purchasing.

31. DEFAULT AND REMEDIES: Any of the following events will constitute cause for the State to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The State will issue a written notice of default providing a period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages; 4. Suspend Contractor from receiving future bid solicitations.

32. FORCE MAJEURE: Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

33. HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

34. NON-COLLUSION: By signing the bid the bidder certifies that the bid submitted has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation to bid, designed to limit independent bidding or competition.

35. PUBLIC INFORMATION: Contractor agrees that the contract will be a public document, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract and/or of the response to the solicitation in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, or copyright information.

36. CONFLICT OF TERMS: In the event of any conflict between these standard terms and conditions and any special terms and conditions which follow, the special terms and conditions will govern.

Revision date:

Attachment

B

Applications Statistics

[Year to Year Growth](#)

(Click here or go to the Procurement Library referenced in Section 2.2)

Attachment

C

Glossary and Definitions

[Glossary File](#)